

1-1 By: West S.B. No. 659  
1-2 (In the Senate - Filed February 19, 2013; February 25, 2013,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; April 15, 2013, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 15, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Hinojosa</u>	X		
1-10	<u>Nichols</u>	X		
1-11	<u>Garcia</u>	X		
1-12	<u>Paxton</u>	X		
1-13	<u>Taylor</u>	X		

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 659 By: Paxton

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to compliance with certain requirements of programs  
1-18 administered by the Texas Department of Housing and Community  
1-19 Affairs.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 2306.6721, Government Code, is  
1-22 transferred to Subchapter B, Chapter 2306, Government Code,  
1-23 redesignated as Section 2306.0504, Government Code, and amended to  
1-24 read as follows:

1-25 Sec. 2306.0504 [~~2306.6721~~]. DEPARTMENT FROM PROGRAM  
1-26 PARTICIPATION. (a) The department shall develop, and the board by  
1-27 rule shall adopt, a policy providing for the debarment of a person  
1-28 from participation in programs administered by the department [the  
1-29 low income housing tax credit program as described by this  
1-30 section].

1-31 (b) The department may debar a person from participation in  
1-32 a department [the] program on the basis of the person's past failure  
1-33 to comply with any condition imposed by the department in the  
1-34 administration of its programs [connection with the allocation of  
1-35 housing tax credits].

1-36 (c) The department shall debar a person from participation  
1-37 in a department [the] program if the person:

1-38 (1) materially or repeatedly violates any condition  
1-39 imposed by the department in connection with the administration of  
1-40 a department program, including a material or repeated violation of  
1-41 a land use restriction agreement regarding a development supported  
1-42 with a [allocation of] housing tax credit allocation [credits]; or

1-43 (2) is debarred from participation in federal housing  
1-44 programs by the United States Department of Housing and Urban  
1-45 Development [ , or

1-46 [~~(3) is in material noncompliance with or has~~  
1-47 ~~repeatedly violated a land use restriction agreement regarding a~~  
1-48 ~~development supported with a housing tax credit allocation].~~

1-49 (d) A person debarred by the department from participation  
1-50 in a department [the] program may appeal the person's debarment to  
1-51 the board.

1-52 SECTION 2. Subsection (a), Section 2306.6717, Government  
1-53 Code, is amended to read as follows:

1-54 (a) Subject to Section 2306.67041, the department shall  
1-55 make the following items available on the department's website:

1-56 (1) as soon as practicable, any proposed application  
1-57 submitted through the preapplication process established by this  
1-58 subchapter;

1-59 (2) before the 30th day preceding the date of the  
1-60 relevant board allocation decision, except as provided by

2-1 Subdivision (3), the entire application, including all supporting  
2-2 documents and exhibits, the application log, a scoring sheet  
2-3 providing details of the application score, and any other document  
2-4 relating to the processing of the application;

2-5 (3) not later than the third working day after the date  
2-6 of the relevant determination, the results of each stage of the  
2-7 application process, including the results of the application  
2-8 scoring and underwriting phases and the allocation phase;

2-9 (4) before the 15th day preceding the date of board  
2-10 action on the amendment, notice of an amendment under Section  
2-11 2306.6712 and the recommendation of the director and monitor  
2-12 regarding the amendment; and

2-13 (5) an appeal filed with the department or board under  
2-14 Section 2306.0504 or 2306.6715 [~~or 2306.6721~~] and any other  
2-15 document relating to the processing of the appeal.

2-16 SECTION 3. Section 2306.6719, Government Code, is amended  
2-17 by adding Subsections (c), (d), (e), and (f) to read as follows:

2-18 (c) For a violation other than a violation that poses an  
2-19 imminent hazard or threat to health and safety, the department must  
2-20 provide the owner of a development with the following periods to  
2-21 correct a failure to comply with a condition or law described by  
2-22 Subsection (a)(1) or (2):

2-23 (1) 30 days for a failure to file the annual owner's  
2-24 compliance report; and

2-25 (2) 90 days for any other failure to comply under this  
2-26 section.

2-27 (d) For good cause shown, the executive director may extend  
2-28 the periods provided under Subsection (c).

2-29 (e) For purposes of determining eligibility to apply for and  
2-30 receive financial assistance from the department, a development may  
2-31 not be considered to be in noncompliance with an applicable  
2-32 condition or law if the owner of the development takes appropriate  
2-33 corrective action during the period provided under Subsection (c).

2-34 (f) Notwithstanding Subsection (e), the department shall:

2-35 (1) submit to the applicable federal agency any report  
2-36 required by federal law regarding an owner's noncompliance with a  
2-37 condition or law described by Subsection (a)(1) or (2); and

2-38 (2) for purposes of developing and administering the  
2-39 policy relating to debarment under Section 2306.0504, consider  
2-40 recurring violations of a condition or law described by Subsection  
2-41 (a)(1) or (2), including violations that are corrected during the  
2-42 applicable period provided under Subsection (c).

2-43 SECTION 4. This Act takes effect September 1, 2013.

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